

APPENDIX A:

Adopted Incentive Layering Guiding Principles and Requirements

Appendix A

Adopted Incentive Layering Guiding Principles and Requirements

This appendix summarizes the four guiding principles adopted in this decision: (1) ease of participation (2) complementary incentives, (3) non-duplicative attribution of program benefits, and (4) ongoing coordination among program administrators and implementers.

I. General

A. Building Decarbonization Programs

1. The adopted non-binding guiding principles apply to the Building Initiative for Low-Emissions Development (BUILD) Program, the Technology and Equipment for Clean Heating (TECH) Initiative, the Wildfire and Natural Disaster Resiliency Rebuild (WNDRR) Program adopted in this proceeding, and other programs authorized in proceedings to incentivize clean heating technologies, specifically Energy Efficiency (EE) programs authorized in Rulemaking (R.)13-11-005, the Heat Pump Water Heater sub-program of the Self-Generation Incentive Program (SGIP) authorized in R.20-05-012, and the PG&E WatterSaver program authorized in Decision (D.)19-06-032 and approved by Resolution E-5073.
2. The adopted guiding principles do not dictate what approach each proceeding, or program should take, nor does it mandate a timeframe. Rather, the Commission adopts the following guiding principles as a framework to support those proceedings in arriving at the most appropriate solution for their programs.

B. TECH Initiative

1. While the incentive layering principles adopted in ~~this~~[the Phase II decision in Rulemaking \(R.\)19-01-011](#) are not binding, we establish certain binding requirements applicable to the TECH Initiative implementer, as summarized below.
2. Energy Division staff shall work with the TECH Initiative implementer to ensure adherence with these principles in the implementation of the TECH Initiative.

II. Principle 1: Ease of Participation

A. Eligibility

1. Eligibility rules should be clear and simple, both to ease participant decision-making and to avoid unexpected outcomes for participants.
2. Eligibility for one program should not be conditional upon participation (or non-participation) in another program unless specifically directed otherwise.
3. Program administrators and implementers should develop strategies to ensure market actors are aware of all incentive programs for which they may be eligible.

B. Ease of Participation

1. Contractors and end users have limited time to wait for payment. Payments to these participants should therefore be made as promptly as practicable.
2. Participants have limited time to fill out paperwork. Additionally, multiple payment sources for market participants increases complexity and the likelihood that they will simply default to the current technology. Program implementers and administrators should therefore coordinate to create a single, streamlined application for each supply chain level, where possible.
3. [Program implementers and administrators should consider how incentive layering can reduce market barriers for low-income participants.](#)

C. Recognition of practical constraints

1. Incentives targeting different points in the supply chain may have separate applications to shield market participants from having to share sensitive sales or incentive information with one other.
2. Aim to remove as many barriers as possible, to ensure that electric heat pump appliances are on a level playing field with electric resistance and gas appliances.

III. Principle 2: Complementary Incentives

A. Incentive Types

Program administrators and implementers should focus their programs on incentives that address distinct market needs or different program goals at various points in the supply chain.

B. Incentive Cap

Regardless of where in the supply chain each program operates, the sum of all incentives – including local, state, and federal incentives – should not exceed the ~~cost~~total costs of the appliance including installation costs.

C. Additional Funding

1. Beyond equipment incentives, additional funding may be directed towards supporting measures such as panel upgrades, ducting, additional controls, installation costs, and workforce education and training.
2. Additional funding may also be necessary for new construction incentives that help achieve bill savings requirements or are otherwise necessary to encourage program participation by homeowners and/or builders.

IV. Principle 3: Non-Duplicative Attribution of Program Benefits

A. No Duplicative Attribution of Benefits

1. If only one program primarily targets a particular benefit (e.g., only Energy Efficiency programs currently have ~~kWh or therms savings~~Total System Benefit, the sum of the benefits that a measure provides to the electric and natural gas systems, as a primary goal), that program may claim credit for all achievement of that benefit, even though other programs are likely also influencing customer adoption.
2. This principle will promote administrative efficiency and regulatory certainty for programs that are clearly not duplicative of others. As a corollary, if an Energy Efficiency incentive was received, all credit for energy savings must be attributed to the Energy Efficiency programs alone, unless and until the Commission adopts a different approach in this proceeding.¹
3. While the Commission does not require any other proceeding or program to revise its cost-effectiveness methodologies or to change how it claims credit for program impacts, over time the Commission may consider bringing the proceedings addressing building decarbonization more into alignment with the principles adopted here.

¹ For example, the SGIP proceeding is currently considering a Staff Proposal to allow SGIP to claim load-shaping energy savings. The proposal would not alter the energy savings to be claimed by Energy Efficiency programs.

4. Coordination could occur across individual proceedings or in a centralized proceeding such as the Integrated Distributed Energy Resources (IDER) proceeding (R.14-10-003) or its successor.

B. No Overlapping Goals, Metrics, and Reporting

1. If a program approved in this proceeding has a sub-goal or metric that is also targeted in another program (e.g., reporting on kWh savings in programs primarily targeting decarbonization), progress toward that sub-goal or metric should continue to be tracked and reported.
2. However, all program reports and evaluations should acknowledge the existence of other programs that may also be contributing to adoption levels and note that the metric being reported is also found in other program reports. This reporting will promote transparency around potentially duplicative goals and metrics without disrupting programs that are largely not duplicative.²
3. For new programs approved in this proceeding with goals and metrics that significantly overlap with other programs, the relevant Commission decision should develop a coordinated approach for sharing credit for program success. This principle will ensure that measures are not incentivized in excess of their costs.
4. Program evaluations should acknowledge the overlapping nature of building decarbonization incentives and the fact that multiple programs may be influencing uptake and market share increases.
5. Attribute all credit for energy savings to Energy Efficiency programs alone, unless and until the Commission adopts a different approach in ~~this proceeding~~ [R.19-01-011](#) or in another relevant proceeding.
6. For programs in which specific metrics are required to be reported, acknowledge the fact that these metrics are also being tracked and reported in more than one program.
7. While the Commission strongly encourages program administrators and implementers to consider and apply these guidelines, in order to allow flexibility, the guidelines are not binding.

V. **Principle 4: Ongoing Coordination Among Program Administrators and Implementers**

² Additional guidance on metrics and sub-metrics can be found in the Phase I decision (D.20-03-027), Appendix A, Section 1.1.

A. Data Sharing

1. Program administrators and implementers should strive to use common databases and to share measure and participation data, to the extent consistent with appropriate protection of customer privacy.
2. The Commission's Energy Division may facilitate data-sharing, provided that appropriate privacy protections (e.g., non-disclosure agreements) are in place.
3. Administrators and implementers of relevant programs should ensure that their coordination efforts remain up to date by participating in periodic coordination meetings.

B. TECH Coordination Requirements

1. The TECH Initiative Implementer is expected to develop a single online platform for developers and contractors to submit and track multi-program applications.
2. The TECH Initiative implementer shall incorporate cross-program coordination discussion into the quarterly stakeholder meetings required by Phase I decision [in R.19-01-011](#), specifically, coordination with energy efficiency, SGIP and low-income programs. [The TECH Initiative implementer shall include the issue of barriers to low-income customers' access to program incentives, and potential solutions, as a standing discussion topic at these meetings. The TECH Initiative implementer shall engage with, and seek input on this topic, as appropriate, from the Disadvantaged Communities Advisory Group \(DACAG\) to the Commission.](#)
3. The TECH Initiative implementer must actively facilitate implementation of the guiding principles in coordination efforts, such as pursuing streamlined, multi-program applications for each supply chain level, outreach to market actors to educate customer about all eligible incentive programs, and coordinated contractor training.
4. TECH implementer should dedicate an updated public web page that provides information on available incentives in the market. This could occur on the [existing](#) "Switch is On" website. [This web page must include an up-to-date compilation of other Commission incentive programs, beyond those pertaining to building decarbonization technologies, that are potentially applicable to affordable housing developers and low-income and disadvantaged communities.](#)
5. The web page should list participating contractors to supplement the existing rebate finder located on the "Switch is On" website, supported by TECH.

6. The TECH Initiative Implementer shall upload ~~the~~program-specific TECH Initiative data into the energy efficiency program ~~database~~webpage- California Energy Data and Reporting System (CEDARS), on at least a quarterly basis. The two reporting platforms - CEDARS and the TECH Public Reporting Website³ -- shall each include a link to the other.

C. Coordination with Non-Jurisdictional Programs

Consistent with Decision 20-03-027, the TECH Initiative implementer is encouraged to consider innovative approach to layer or stack incentive with non-jurisdictional programs.

(End of Appendix A)

³ <https://energy-solution.com/tech/>

APPENDIX B:

Adopted Wildfire and Natural Disaster Resiliency Rebuild Program

Appendix B

Adopted Wildfire and Natural Disaster Resiliency Rebuild (WNDRR) Program

I. Program Scope

- A. The WNDRR Program will support all-electric rebuilding of residential properties that were destroyed or red-tagged due to a wildfire or other natural ~~or man-made~~ disaster on or after January 1, 2017.
- B. The program will be a statewide program across the service areas of all participating electric investor-owned utilities (IOUs) regulated by the Commission.
- C. Participating electric IOUs are: Southern California Edison Company (SCE), Pacific Gas and Electric Company (PG&E), San Diego Gas & Electric Company (SDG&E). ~~The following IOUs may participate in the program subject to confirmation by them as provided in this decision:~~ Liberty Utilities (CalPeco Electric) LLC, Bear Valley Electric Service, Inc., and PacifiCorp, dba Pacific Power.
- D. Community Choice Aggregators (CCAs) within the service area of a participating IOU are automatically included in the WNDRR Program, unless the CCA declines to participate. by written Notice served on Energy Division, Program Administrator, Program Implementer, Contracting Agent, and the service list of Rulemaking 19-01-011. Within 30 days of the issuance of the Phase II decision in Rulemaking (R.) 19-01-011 each IOU shall provide notice of the WNDRR Program to each CCA in its service territory.
- E. Destroyed or red-tagged buildings must be within the service territory of a participating electric IOU under the Commission's jurisdiction, and rebuilt buildings can be in any Commission-regulated participating electric IOU service territory.
- F. There will be one program administrator who will also be the contracting agent (SCE), one program implementer, and one program evaluator.
- G. Additional funds, if any, beyond the initial funds (\$50 million) will be limited to incentives for homes that meet one of two cases: (a) being rebuilt in locations where dual fuel construction continues to be permitted under the California Energy Code or (b) being rebuilt in locations which have an all-electric "reach" building code, if the rebuild is beyond either the minimum or "reach" code requirements to achieve even greater decarbonization.

II. Funding

- A. The WNDRR Program will be funded through non-bypassable Public Purpose Program (PPP) charges.
- B. ~~By January 15, 2022~~ Within 60 days after the advice letter that establishes the appropriate balancing account is effective, each participating electric IOU shall provide its share of the \$50 million total WNDRR Program budget. The payment will be a single payment to SCE for deposit in an interest-bearing balancing account. See Section XIII for required payments for the participating ~~and pending participating~~ IOUs.
- C. Each electric IOU will recover its payment to SCE from its residential customers by assessing a one-time charge to its PPP account (WNDRR PPP charge) that is implemented in its rates during its annual PPP true-up advice letter, or as soon as practicable following issuance of the Phase II decision in R.19-01-011, to be amortized over one year.

III. Program Administrator

- A. SCE shall be the program administrator. SCE's program administrator roles and responsibilities are as described herein, subject to oversight by the Energy Division, and subject to reasonable modification by the Energy Division Director. As program administrator, SCE ~~will~~ shall be responsible for administering two RFPs and the resulting contracts regarding: (1) selection of the program implementer and resulting program implementation and (2) selection of the program evaluator and resulting evaluation reports.
- B. As the program administrator, SCE shall be responsible for establishing and managing ~~the two~~ an interest-bearing balancing account that clearly and transparently accounts for:
 - 1. Total WNDRR Program (receipt of \$50 million, accumulation of interest, and dispersal of funds for administration, implementation, evaluation, marketing, outreach, and incentives; receipt and disbursement of any additional funds)
 - 2. SCE's costs for fulfilling its duties as contracting agent and program administrator offset by revenues from the WNDRR Program for those services.
 - 3. And, as program participant, SCE's share of the \$50 million WNDRR Program, offset by revenues from PPP charges.
- C. SCE will submit Tier 1 Advice Letters within 30 days from the issuance of the Phase II decision in R.19-01-011 to establish the ~~two~~ interest-bearing balancing ~~accounts~~ account described above.
- D. SCE will submit advice letters on behalf of the program implementer and/or program evaluator for Commission approval:

1. Tier 2 Advice Letter for the final contract for the program implementer (years 1-5)
2. Tier 2 Advice Letter for the final contract for the program evaluator (years 1-10)
3. Tier 2 Advice Letter for renewal of program implementer contract or contract for new program implementer (years 6-10)
4. Tier 2 Advice Letter for the initial incentive structure and amounts
5. Tier 3 Advice Letter for changes to WNDRR Program, incentive structure and/or incentive amounts
6. Tier 1 Advice Letter with a WNDRR Program report, submitted annually
7. Tier 1 Advice Letter with program evaluator evaluation report (every other year beginning one year after first WNDRR Program application is accepted)

~~E.~~ SCE will maintain an expanded WNDRR service list for service of advice letters and other relevant WNDRR Program notices (expanded WNDRR service list). The expanded WNDRR service list will include the service list in ~~this proceeding~~ R.19-01-011 and other relevant proceedings, each bidder, any person who has expressed interest in the solicitation, and any other persons or parties identified by Energy Division.

IV. Contracting Agent

- A. SCE shall be the contracting agent, subject to oversight by the Energy Division.
- B. SCE shall negotiate, finalize, and sign the contracts with the program implementer and the program evaluator.
- C. SCE, as contracting agent, establishes the balancing account, holds the contracts, administers the contracts, and pays the program implementer and the program evaluator.

V. Program Implementer

- A. Selection of the program implementer will be by a competitive bid via responses to a request for proposal (RFP). The RFP will adhere to the following guidelines for elements of each bid:
 1. Bidders must demonstrate experience in ~~single-family~~ various facets of custom residential construction, and familiarity with both all-electric construction, and natural disaster rebuilds; ~~and bidders must also demonstrate~~ experience with manufactured homes, modular homes, accessory dwelling units (ADUs), and multi-family ~~properties~~ building construction.
 2. Bidders must include their proposed ~~initial~~ incentive ~~structure and levels, and should discuss how incentive levels and other program elements should differ for single-family homes, manufactured homes,~~

~~modular homes, ADUs; each unit in a multi-family building; how to apply additional incentives for above-code emissions reductions; and how to apply equity incentives~~ consistent with the requirements set out later in this order.

3. Bidders must describe their proposed marketing and outreach strategies and include their proposed marketing and outreach expenses as part of the available total program funding.
 4. Bidders ~~should~~must describe strategies to maximize program participation and efficient program deployment, including but not limited to strategies to (a) connect as early as possible with potential participants via engagement with local community leaders, CCAs, and CBOs and (b) reach low-income and disadvantaged communities.
 5. Bidders should propose strategies to ensure ease of program participation, and minimize paperwork for participants.
 6. Bidders should clearly describe how program design will balance statewide consistency with unique community-based needs as determined through engagement with local community leaders, CCAs, and CBOs.
 7. Bidders should describe their outreach strategies for increasing adoption of all-electric new construction, including but not limited to homeowner education, and strategies for targeted outreach to low-income households and disadvantaged communities.
 8. Bidders should ~~show~~ demonstrate how their proposal ~~aligns~~ will align with state and federal low-income housing tax credit requirements.
 9. Bidders should, for the purpose of maximizing GHG reductions and enhancing program participation, discuss whether and how incentive levels and other program elements should differ for (a) manufactured homes, (b) modular homes, and (c) ADUs.
 10. ~~8.~~ Bidders should provide any other relevant information ~~that is material and relevant~~ in support of their bid.
- B. The solicitation process shall be as follows:
1. SCE will draft the RFP subject to oversight by ~~Energy Division (ED)~~. The draft will include proposed scoring criteria. The draft will be served on the service list for one round of quick comments. ED will approve the final RFP.
 2. SCE will widely post, publish and serve the RFP to reach a large pool of potentially qualified contractors.
 3. Bidders will have eight weeks to submit a bid (subject to extension by ED if more time is needed).
 4. Bids will be scored by a WNDRR Scoring Committee composed of four members (one each from ED, SCE, PG&E, SDG&E). The Scoring Committee will recommend its preferred choice. The Energy Division

Director will make the final selection of the winning bid and inform the contracting agent.

5. SCE, with input from the Scoring Committee, will negotiate and sign the final contract. SCE will submit a Tier 2 Advice Letter requesting Commission approval of the final contract, with service on the expanded WNDRR service list.
6. The program implementer contract will be limited to five years.
7. ED will determine for years 6 – 10 whether to renew the program implementer's contract or conduct another round of RFP bidding for a new implementer. The renewed contract or a new contract shall be submitted to the Commission by Tier 2 Advice Letter by the program administrator for approval.

C. Role of the program implementer

1. Details of program implementation are the responsibility of the program implementer, subject to oversight by the Commission and the program administrator, along with stakeholder collaborative input and advice.
2. Stakeholder input and advice will be obtained by the program implementer (with assistance from ED and the program administrator) facilitating at least semi-annual public meetings with stakeholders, noticed on all parties to this proceeding and the expanded WNDRR service list to address both implementation and reporting.
3. The program implementer will, with Energy Division oversight, engage a person to serve as a Local Jurisdiction Member and another person to serve as a Community-Based Organization member to facilitate program marketing, outreach, and implementation.
4. The program implementer will develop the initial incentive structure and amounts, with input from both ED and participating IOUs; and, via the stakeholder meetings, input from stakeholders.
5. The program implementer, with assistance from the program administrator, will submit a Tier 2 Advice Letter, for approval of the initial incentive structure and amounts; and a Tier 3 Advice Letter for approval of any change to the WNDRR Program, incentive structures, or incentive levels.
6. The program implementer will maintain a publicly accessible webpage with an overview and summary of the program to include, but not limited to:
 - a) Incentive structure and levels, [and eligibility requirements](#).
 - b) Updated information on:
 - i. number of applications received and approved.
 - ii. Number of applications seeking equity incentives received and approved.

- iii. Number of applications seeking above-code emission reduction incentives received and approved.
 - c) Amount of funds disbursed, pending approval, and remaining.
 - d) Any other summary information reasonably necessary to explain the program and its status.
7. The program implementer, with assistance from the program administrator, will submit a Tier 1 Advice Letter each year reporting on the program with details stated below (Reporting Requirements)

VI. Budget

- A. \$50 million (paid by the participating IOUs by January 15, 2022 within 60 days after the advice letter establishing the appropriate payment-related balancing account is effective, in one payment in the amounts shown in the table below), and applied over the ten years of the program (with interest on unspent amounts during the ten years).
- B. Maximum budgets are:
 - 1. Administration:
 - a) Program implementer: no more than 10% (\$5 million)
 - b) Program administrator and contracting agent: no more than 1% (\$0.5 million)
 - 2. Evaluation: no more than 2.5% (\$1.25 million).
- C. The minimum remaining amount of \$43.25 million will pay for program incentives, marketing, and outreach.
- D. Each electric IOU may request additional funding through a Tier 3 Advice Letter based on anticipated need; if submitted, IOUs are encouraged to coordinate and present one joint Tier 3 Advice Letter; the advice letter may only be filed during the months of January and July.
- E. Any additional funding requests should include no more than the above percentages for administration and evaluation.

VII. Eligibility

- A. Any residential property red-tagged or in an area declared as subject to an emergency on or after January 1, 2017, but only if the building permits are approved after the effective date of the Phase II decision in R.19-01-011 with one exception.
 - 1. The exception is when the building permit was issued before the effective date of the Phase II decision in R.19-01-011 and the property owner can demonstrate that they applied for, but did not receive funding, to reconstruct all-electric through any of the pre-existing IOU-administered disaster rebuild programs for wildfire victims.

- B. WNDRR Program participation will be contingent on the participant agreeing to provide the evaluator and program implementer access to information provided during the application process, and data on their energy use, and building characteristics.
- C. Eligible structures include:
 - 1. Single-family homes
 - 2. Manufactured homes (must comply with Energy Star Version 2 or higher)
 - 3. Modular homes
 - 4. ADU
 - 5. Multifamily buildings
- D. WNDRR participating customers shall not be eligible for incentives provided by the BUILD Program.

VIII. Incentives

- A. A single dollar amount (“flat incentive”) for each eligible participant paid per unit (\$/unit).
- B. Base incentive: The base incentive will be offered at the same or different levels for each (a) single family dwelling structure and (b) unit in a multi-family structure. The base incentives are for:
 - 1. Single family structure:
 - a) Single family home
 - b) Manufactured home
 - c) Modular home
 - d) ADU
 - 2. Each unit in a multi-family structure
- C. Additional Incentives: Additional incentives may be offered for:
 - 1. Above-code emission reductions (e.g., energy storage systems, grid responsive measures, appliances using low global warming potential refrigerants, above code energy efficiency).
 - 2. Equity
 - a) Available for vulnerable and disadvantaged communities as defined in Pub. Util. Code § 921.
 - b) Available for any multi-family property utilizing federal or state low-income housing tax credits to rebuild (including those who have been found eligible and currently on an “uncleared” waitlist)
 - c) The equity adjustment is a 50% increase over the base incentive (i.e., the resulting incentive is 1.5 times the base incentive) [unless the program implementer, in consultation with Energy](#)

Division, determines that a higher incentive level is more appropriate.

IX. Evaluation

A. Selection

1. Selection of the program evaluator will be by a competitive bid via responses to a request for proposal (RFP).
2. The process will be the same as that for selection of the program implementer (e.g., SCE drafts RFP in collaboration with ED (including scoring criteria and relevant bidding elements); draft RFP served on service list for comment; ED approves final RFP; final RFP posted, published and served on a wide list of possible bidders; bidders have eight weeks to submit bids (subject to extension authorized by ED, if needed); bids scored by the WNDRR Program Scoring Committee; Energy Division Director makes final selection; SCE submits Tier 2 Advice Letter for approval of final negotiated contract)

B. Reports

1. The program evaluator will submit an evaluation report every other year, beginning two years from the date the first WNDRR Program application is accepted.
2. The report will be served on the expanded WNDRR service list used by SCE.
3. ED will publish the reports on the Commission's webpage.
4. The reports will address both cost and program effectiveness, with these and other specifics determined in consultation with ED.
5. Reports will include but are not limited to:
 - a) Comparison of modeled GHG emissions with actual emissions based on a minimum of 12 months normalized metered electric data.
 - b) Average cost per metric ton of avoided GHG emissions
 - c) Evaluator's recommendations, if any, for program improvement.
6. The program evaluator will use a Tier 1 Advice Letter, with assistance of the program administrator, to submit the bi-annual evaluation reports.

X. Reporting Requirements

- A. SCE, as program administrator and on behalf of the program implementer, submits an annual report by Tier 1 Advice Letter that includes, but is not limited to:

1. Explanation of any Local Emergency Proclamation(s) made in the past year that result in new participants being eligible for the WNDRR Program;
 2. Description of the WNDRR Program team members addressing each Local Emergency Proclamation;
 3. Description of community engagement strategies implemented in the last year;
 4. Quantitative and qualitative information on the number of eligible properties from each eligible Local Emergency Proclamation to date, including
 - a) the number and percentage of eligible properties seeking and awarded incentives by dwelling type (e.g., single-family home, manufactured home, modular home, ADU, multifamily dwelling unit);
 - b) the number and percentage of eligible properties seeking and receiving awarded equity incentives,
 - c) the number and percentage of eligible properties seeking and awarded incentives for additional emissions reductions;
 - ~~e) the number and percentage of eligible properties seeking incentives by dwelling type (e.g., single-family home, manufactured home, modular home, ADU, multifamily dwelling and number of units);~~
 5. A list of current incentive levels with explanations of any changes, including base incentive levels and additional emissions reduction measures and incentives;
 6. Program expenditures in the past year and to date, broken down by Local Emergency Proclamation, incentive type, and other budget categories (e.g., administration, implementation, evaluation, marketing, outreach, incentives); ~~and~~
 7. Any other relevant and material qualitative and quantitative data to provide a useful and informative annual report; and
 8. 7-Inclusion of most recent program evaluation report, if issued since the last annual advice letter.
- B. ED may create reporting templates in coordination with the program implementer, program administrator, and participating IOUs.

XI. Cost Recovery

- A. SCE will establish the ~~two~~ interest-bearing balancing ~~accounts~~account described above. SCE shall file a Tier 1 Advice Letter within 30 days from the issuance of the Phase II decision in R.19-01-011 to establish the balancing ~~accounts~~account.

- B. Each IOU, ~~including~~excluding SCE, will establish an interest-bearing ~~memorandum~~balancing account to record its payments to SCE to fund each IOU's WNDRR program funding obligation, and ~~its~~the revenues ~~received~~it receives via the relevant PPP charges ~~to~~received from the residential customers of the participating IOU.
- C. Each IOU shall file a Tier 1 Advice Letter within 30 days from the issuance of the Phase II decision in R.19-01-011 to establish the memorandum account.

XII. Required Advice Letters

The following is a list of the required advice letters:

Item No.	Tier No.	Description
1	1	SCE: within 30 days to establish two <u>an</u> interest bearing balancing accounts <u>account to account for the</u> : (a) Total WNDRR Program and , (b) SCE's role as <u>program administrator and</u> contracting agent, <u>and (c) SCE's share of the \$50 million funding offset by revenues from PPP charges.</u>
2	1	Each IOU (except SCE): within 30 days to set up <u>an</u> interest-bearing memorandum-accounts <u>balancing account</u> to record payment to SCE (paid by <u>1/15/2022</u> <u>within 60 days of creation of this balancing account</u>) and recovery via PPP charge (over 12 months)
3	1	SCE: for submission of annual program report prepared by program implementer
4	1	SCE: for submission of biannual evaluation report prepared by program evaluator
5	2	SCE: for final contract with program implementer (for years 1-5)
6	2	SCE: for final contract with program evaluator (for years 1-10)
7	2	SCE: for final (a) renewed contract with program implementer or (b) new contract with new program implementer; (for years 6 - 10 of program)
8	2	SCE: for approval of initial incentive structure and amounts proposed by program implementer
9	3	SCE: for changes to WNDRR Program, incentive structure, incentive amounts proposed by program implementer
10	3	Each IOU or Joint IOUs: for additional funding based on anticipated need (filed in January or July only)

XIII. Required Payments

The required payments due by January 15, 2022 paid in a single payment to the program administrator are:

LINE NO	IOU	FUNDING AMOUNT
1	PacifiCorp	\$80,759
2	Bear Valley Electric Service	\$133,060
3	Liberty Utilities (CalPeco Electric)	\$263,190
4	San Diego Gas & Electric	\$5,985,774
5	Pacific Gas and Electric	\$20,258,552
6	Southern California Edison	\$23,278,644
7	TOTAL	\$50,000,000

(End of Appendix B)

APPENDIX C:

Adopted Guidance on Data Sharing for the BUILD Program, the TECH Initiative, and the WNDRR Program

Appendix C

Adopted Guidance on Data Sharing for the BUILD Program, the TECH Initiative, and the WNDRR Programs

I. Data Sharing via Commission Contracts or Interagency Agreement

- A. The California Public Utilities Commission (Commission) may consider entering into a contract with the implementers and evaluators of the Technology and Equipment for Clean Heating (TECH) Initiative and the Wildfire and Natural Disaster Resiliency Rebuild (WNDRR) Program, and interagency agreement with the California Energy Commission (CEC) for the Building Initiative for Low Emissions Development (BUILD) Program to collect and/or share with them the confidential customer data necessary for implementation and evaluation of the programs adopted in this proceeding.³⁴

II. Data Sharing via Non-Disclosure Agreements

~~B.~~ In the event that the Commission is unable to enter into such contracts, the below guidance shall be followed for data sharing. Energy Division should conduct a workshop within 90 days of the issuance of the Phase II decision in Rulemaking (R.)19-01-011 to collaborate with stakeholders to resolve issues related to implementation.

~~H.~~ Data Sharing via Non-Disclosure Agreements

- A. Participating Customers' Data Needed
1. Energy Division shall consider stakeholder feedback provided at quarterly stakeholder meetings to be conducted by the TECH Initiative implementer, as required by the Phase I decision, to update the below preliminary data requirements.
 2. Energy Division staff shall provide the final updated data requirements to the IOUs at least 90 days before the biannual data submission is due.
 3. The utilities are required to submit the preliminary data listed in this appendix for every individual incentive given to any residential customers, from every IOU-administered program to the TECH Initiative and BUILD Program implementer, and TECH Initiative and BUILD Program evaluator within 90 days from the issuance of this decision.
 4. The IOUs shall collect the following information for every individual incentive given to any residential customer, from every IOU-administered program and provide to the TECH Initiative, the

³⁴ = The TECH Initiative, the BUILD Program, and the WNDRR Program.

BUILD Program and the WNDRR Program implementers and evaluators every six months, beginning six months after the issuance of ~~this~~the Phase II decision in R.19-01-011 (biannual data submission).

- a) General
 - i. Incentive program name and ID
 - ii. Incentive amount awarded
 - iii. Measure code
 - b) Utility Customer
 - i. Gas Utility Service Account ID
 - ii. Electric Utility Service Account ID
 - c) Equipment
 - i. Equipment type
 - ii. Manufacturer name
 - iii. Model name
 - iv. Capacity
 - v. Efficiency rating
 - vi. Serial number
 - vii. Previous unit information (fuel type, capacity, model, efficiency)
 - d) Installation
 - i. Completion date
 - ii. Total installation cost (\$)
 - e) Site
 - i. Premise ID
- B. Non-Participating Customers' Data
1. Non-participating customers' data may be necessary for program evaluations: to establish baseline conditions, counterfactual scenarios, and control groups to measure program impacts.
 2. The IOUs shall cooperate with the implementers and evaluators of the programs adopted in this proceeding and provide them the necessary data and establish secure data sharing protocols.
 3. The IOUs shall sign a non-disclosure agreement (NDA) with the program implementers and evaluators before sharing any confidential customer data.
 4. To the extent possible, the IOUs shall initially use their existing NDAs applicable for sharing confidential non-participant information to avoid delay of data sharing.
 5. To minimize administrative burden, the IOUs shall work with the program implementers and evaluators to develop a standardized NDA specifically for the purpose of sharing non-participants data on an on-going basis.

6. Southern California Edison Company (SCE) shall submit a Tier 2 Advice Letter for Commission approval of the standardized NDA. SCE shall serve the advice letter to all program implementers and evaluators in this proceeding in addition to the Service List of R.19-01-011.
- C. Data Sharing Mechanism and Data Protection
1. To enable easy and timely data sharing, it may be desirable to utilize available databases for data sharing such as the California Energy Commission's (CEC) database.
 2. The IOUs shall work with the CEC to determine the feasibility and the legal process to allow the program implementers and evaluators who sign an NDA with the IOUs to access the program participants and non-participants data directly from the CEC database.
 3. If accessing the CEC database is not feasible due to any unforeseen reasons, the IOUs shall establish a mechanism for sharing participants and non-participants data on a recurring basis and until the last program evaluation is complete.
 4. The implementers and evaluators shall provide any processed data, analysis and derivatives from the original data back to the CPUC, and ensure that secure systems are in place for data transmission.
 5. The implementers and evaluators shall properly destroy the original confidential data shared by the CPUC or the IOUs and its derivatives at the end of their contract term with the CPUC.

(End of Appendix C)

APPENDIX D:

Rate Adjustments for Heat Pump Water Heater Baseline Allowance and Guidance on Propane Usage

Appendix D

Rate Adjustments for Heat Pump Water Heater and Guidance on Propane Usage

I. Rate Adjustment for Heat Pump Water Heater (HPWH)

- A. The three large electric utility (utilities)⁴⁵ shall each study the total electric and gas bill impacts resulting from a residential customer switching from a natural gas water heater to an electric HPWH.~~Based on this analysis, the (fuel switching).~~ The utilities shall each submit and serve to the Service List of Rulemaking (R.)19-01-001 their studies to the Commission through a Tier 3 Advice Letter within 90 days of the issuance of this decision.
- B. If a utility's study shows a net increase in a customer's total energy bill resulting from fuel switching, it shall propose a HPWH rate adjustment in its next General Rate Case (Phase II) or Rate Design Window applications, whichever comes first, if they have not already done so for their residential customers who install electric HPWH in a new Rate Design Window application within six months of the issuance of this decision
- C. B. Requirements for the utility's proposal:
 1. Provide rate adjustment sufficient to cover the ~~additional anticipated electricity use~~net energy bill increases as a result of switching from a natural gas water heater to an electric HPWH.
 2. Provide the basis for determining the typical industry-prevalent ~~HPWH~~gas and electric HPWHs that ~~was~~were used for calculating additional anticipated electricity use ~~in Item (a) above,~~ gas savings, and net energy bill increases.
 3. Apply the HPWH rate adjustment to all customers switching from a natural gas water heater to an electric HPWH, including customers already receiving the all-electric baseline allowance.
 4. Explain how the HPWH rate adjustment does the following:
 - a) Reduces the cost barrier to customers shifting from natural gas water heaters to electric HPWHs;
 - b) Encourages TOU;
 - c) Can be easily understood by customers, and mitigates against customer confusion; and

⁴⁵ Southern California Edison Company, Pacific Gas and Electric Company, and San Diego Gas & Electric Company.

- d) Takes into account anticipated savings from reduced gas use.
- 5. Propose an evaluation mechanism to ascertain whether the proposed HPWH baseline allowance is appropriate after it is implemented so that it can be modified, if necessary, in the future.
- 6. Describe a transition plan and ongoing administration plan to maximize ease of transition and administration of the HPWH rate adjustment.
- 7. Describe how their proposal satisfies the wide range of rate design principles including, but not limited to:
 - a) being just, reasonable, and non-discriminatory (e.g., between technologies, between customers within a customer group, between customer groups);
 - b) being based on marginal cost and cost-causation principles;
 - c) encourages conservation and energy efficiency;
 - d) avoids cross-subsidies;
 - e) encourages economically efficient decision-making.

II. Guidance on Propane Use

- A. Beginning ~~January~~⁵⁶July 1, 2022, the large electric utilities⁵⁶ shall ask all new customers commencing electric service:
 - 1. Whether the customer uses electric space heating equipment.
 - 2. Whether the customer uses electric water heating equipment and whether any electric water heater being used in a HPWH.
 - 3. Whether the customer uses propane to power any appliance other than an outdoor gas grill.
 - 4. Electric-only IOU: whether they receive natural gas (i.e., not propane) service from a separate utility.
- B. Annually beginning February 1, 2023, each large electric utility shall report the data collected in Item A above to Energy Division, along with the number of total customers receiving the all-electric baseline allowance broken down by:
 - 1. Eligibility (based on using electric space heating equipment or not taking gas service) and
 - 2. Total customers receiving the new HPWH rate adjustment (if one is in place) by the end of the prior calendar year.

⁵⁶ The large electric utilities are: (1) Southern California Edison Company (SCE), (2) Pacific Gas and Electric Company (PG&E), (3) San Diego Gas & Electric Company.

(End of Appendix D)

APPENDIX E:

Abbreviations, Acronyms, and Definitions

APPENDIX E

Abbreviations, Acronyms, and Definitions

A.	Application
ACC	Avoided Cost Calculator
ADU	Accessory Dwelling Unit
AQMD	Air Quality Management District
All-Electric Residential Customer	Pub. Util. Code 739(b) defines it as “residential customers having electrical service only or whose space heating is provided by electricity, or both.”
ALJ	Administrative Law Judge
Balancing accounts <u>Account</u>	Established “to ensure that a utility recovers its authorized revenue requirement from ratepayers for a given program or function. Balancing accounts track the difference between actual expenditures, revenue authorized for recovery, and the actual revenues collected within customer rates to cover those specific expenditures.” (The Commission’s Standard Practice Audit Manual at 6) https://www.cpuc.ca.gov/about-cpuc/divisions/utility-audits-risk-and-compliance-division/utility-audits-branch
Baseline Allowance	Pub. Util. Code 739(a)(1) defines it as “a quantity of electricity or gas allocated by the Commission for residential customers based on from 50 to 60 percent of average residential consumption.” Baseline allowance for all-electric residential customers is established at from 60 to 70 percent of average residential consumption during the winter heating season.
Baseline Usage	Electricity usage up to baseline allowance.
BayREN	The Association of Bay Area Governments on behalf of the Bay Area Regional Energy Network
BD	Building Decarbonization
<u>Bear Valley</u>	<u>Bear Valley Electric Service, Inc.</u>
BUILD Program	Building Initiative for Low Emissions Development Program. The BUILD Program was established in the Phase I decision (D.20-03-027).
Cal Advocates	The Commission’s Public Advocates Office
CARE	California Alternate Rates for Energy
CBECC	California Building Energy Code Compliance
CBO	Community Based Organization
CCA	Community Choice Aggregator
CEDMC	California Efficiency + Demand Management Council

CEDARS	California Energy Data and Reporting System
CEA	Certified Energy Analyst
CEC	California Energy Commission
CEJA	California Environmental Justice Alliance
CHBC	California Hydrogen Business Council
CO ₂	Carbon Dioxide
Commission or CPUC	California Public Utilities Commission
CSE	Center for Sustainable Energy
CSI	California Solar Initiative
D.	Decision
DAC	Disadvantaged Community
EE program	Energy Efficiency programs overseen by the Commission
EDF	Environmental Defense Fund
Expanded WNDRR Service List	With input and oversight of Energy Division, SCE as the WNDRR Program administrator and contracting agent will add persons to the Service List of this proceeding for service of advice letters, notices of meeting, and other necessary program purposes.
GHG	Greenhouse gas
GWP	Global Warming Potential
GRC	General Rate Case
HPWH	Heat Pump Water Heater
HUC	High Usage Surcharge
HUD	US Department of Housing and Urban Development
HVAC	Heating Ventilation Air Conditioning
IDER	Integrated Distributed Energy Resources
IOUs	Investor-Owned Utilities
Joint CCAs	Sonoma Clean Power, East Bay Community Energy, and Marin Clean Energy
kW	Kilowatt
kWh	Kilowatt-hour
Liberty Utilities	CalPeco Electric
MOU	Memorandum of Understanding
NDA	Non-Disclosure Agreement
NRDC	Natural Resources Defense Council
OEM	Original Equipment Manufacturer
Participating Customers	End-use customers of the IOUs that participate in any of the programs adopted in this proceeding, <i>i.e.</i> , the TECH Initiative, the BUILD Program, and the WNDRR Program
PacifiCorp	PacifiCorp d/b/a Pacific Power
PG&E	Pacific Gas and Electric Company

Program Participants	Participants of the Commission adopted building decarbonization program participants including includes manufacturers, distributors, retailers, contractors, end users and other persons in the market receiving incentives or otherwise engaging in a program.
Phase I Decision	Decision 20-03-027
PLA	Plug Load Appliances
PPP	Public Purpose Program
POU	Publicly-Owned Utility
Programs Adopted in the Proceeding	(1) The BUILD Program, (2) the TECH Initiative, and (3) the WNDRR Program.
Pub. Util. Code	Public Utilities Code
R.	Rulemaking
RDW	Rate Design Window
Recurve	Recurve Analytics, Inc.
REN	Regional Energy Network
RFP	Request for Proposal
Rules	Commission's Rules of Practice and Procedure
SB	Senate Bill
SBUA	Small Business Utility Advocates
SoCalGas	Southern California Gas Company
SCE	Southern California Edison Company
SDG&E	San Diego Gas & Electric Company
SGIP	Self-Generation Incentive Program
SMUD	Sacramento Municipal Utility District
Staff	Energy Division Staff
Staff Proposal	Staff Proposal on Phase II issues attached to the Phase II Scoping Memo issued on August 25, 2020
SWG	Southwest Gas Corporation
TECH Initiative	Technology and Equipment for Clean Heating Initiative. The TECH Initiative was established in the Phase I decision (D.20-03-027).
TOU	Time-of-Use
TRC	Total Resource Cost
TURN	The Utility Reform Network
VEIC	Vermont Energy Investment Corporation
WNDRR Program	Wildfire and Natural Disaster Resiliency Rebuild Program
Wild Tree	Wild Tree Foundation

(END OF APPENDIX E)

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